

## EMPLOYEE CAPITAL PLAN (PPK)

# Why is it worth saving in PPK?

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### Bonus from your company and from the State

In the Employee Capital Plans (PPK), contributions come from three sources. Along with you, those who save for your pension are your employer and the State, but ultimately these are your private savings. You as an employee contribute 2% of your gross salary. Your employer pays an additional

1.5% of your gross salary. In addition, the State will give you a welcome contribution of PLN 250 plus a bonus of PLN 240 every year. Both you and your employer may decide to make voluntary additional contributions (the employee up to 2% and the employer up to 2.5% of your gross salary).



#### EMPLOYEE

Basic contribution of **2%\*** + additional voluntary contribution up to **2%**



#### EMPLOYER

Basic contribution of **1,5%** + additional voluntary contribution up to **2,5%**



#### THE STATE

welcome contribution of **PLN 250+** annual bonus of **PLN 240**



\*for persons earning less than 1.2 times the gross national minimum wage, this may be 0.5%

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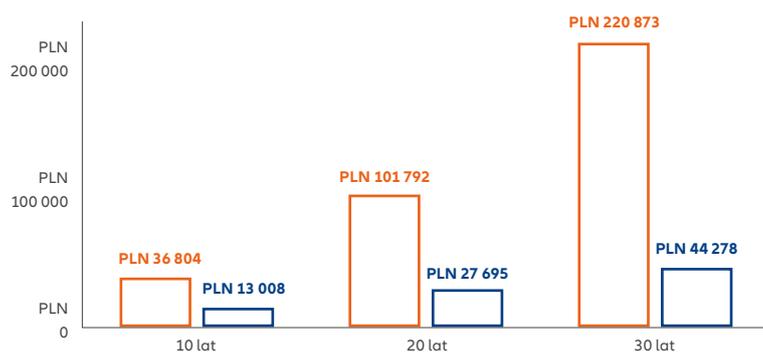
### More than in bank

Saving in PPK may be more profitable than saving in a bank. Let's assume that you are 30 years old and you earn PLN 5 125.25 average monthly salary in August 2019 according to the Central Statistical Office. If you save money for 30 years, you will have the following savings: →

#### in PPK: **PLN 220 873**

on the assumption that you make 2% basic contributions (that is, PLN 102.51). In a scenario most favourable in tax terms, as you reach the age of 60 you will be able to withdraw on a one-off basis (25%): PLN 48 914 and over the next 120 months you will be receiving: PLN 1 433.

### PPK vs Bank – estimation of benefits in the long term



■ PPK = your contributions + your employer's contributions + the State's contributions + estimated profit  
■ BANK 1.5% deposit

#### in bank: **PLN 44 278**

on the assumption that the interest rate on bank deposits is at the current level of 1.5% annually and that you save PLN 102.51 every month.

#### Assumptions made in the calculation

The results shown are based on the following assumptions:

- rate of return on the equity portion at the level of 7.1% and rate of return on the debt portion at the level of 3.5% during the period of participation in every subfund,
- the assumed average rate of return for particular subfunds is from 3.67% to 4.91% annually with monthly capitalisation (since subfunds of PPK invest in the equity portion and in the debt portion in the proportion set out in the provisions of law),
- the average increase of salary at the level of 2% annually,
- the assumed interest rate for a bank deposit is 1.5% annually.

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### Your private funds

Your savings are accumulated in a private PPK account. These funds are your private money and they are independent of the social security system. At any time, you may opt out of PPK and withdraw the money saved, after deductions for early withdrawal from PPK.

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### Savings that can be inherited

If you pass away, your savings accumulated in PPK are not lost, because they can be inherited. In addition, you can name particular persons who will be entitled to receive the money, including unrelated persons. If PPK funds are inherited, it is not necessary to pay inheritance or gift tax.

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### Participation is voluntary

PPK is a non-compulsory pension saving scheme. You alone get to decide if you wish to participate in this scheme or not. At any time, you can join in or resign from the scheme, by making one declaration in writing. Even after you opt out of PPK, you may join in PPK again.

Remember, however, that resignation (withdrawal) is connected with loss of benefits, such as:

- 30% of the amount of contributions from your employer (they will go into your individual account at the Social Insurance Institution (ZUS)),
- tax on capital gains,
- payments from the State (welcome contribution and annual bonuses).

You should remember that every four years, starting from 1 April 2023, an employee is automatically re-enrolled in the scheme.

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### Withdrawal at any time

After you reach the age of 60, you may withdraw all of the accumulated money in one go. However, to avoid tax on capital gains, it is best to withdraw 25% as a lump sum and then withdraw the remaining 75% of your accumulated savings in at least 120 monthly instalments (10 years).

Before the age of 60, it is possible to use the money:

- if you, your spouse or your child falls seriously ill – up to 25% of funds (no obligation to pay back),
- as own contribution e.g. when you take a loan to buy a flat or build a house – up to 100% of the funds with an obligation to pay them back within 15 years (for persons who have not reached the age of 45).

Of course, you may withdraw the funds from PPK at any time (refund) for any other purpose, but then deductions will be made from your accumulated funds as specified in point 5.

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### You can have an impact on investing

The money accumulated in PPK accounts will be invested in an investment fund appropriate for your age (so-called target-date fund). As you approach the age of 60, the investment fund will automatically change its investment policy so that it ensures adequate security of your money while at the same time reducing the risk level. However, you do not have to be a passive observer of what is going on with your savings. You can decide to change the investment fund at any time and thus change the investment policy for your money accumulated so far and that to be contributed in the future (detailed rules are set out in the Statutes of Allianz SFIO PPK available at [www.allianz.pl](http://www.allianz.pl)).

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### Support in the case of illness

In the case of a serious illness affecting you, your spouse or your child, you may withdraw up to 25% of the money accumulated in PPK before you reach the age of 60. The withdrawal is not connected with the need to pay the money back and it is not subject to tax on capital gains.

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### Money to be used as own contribution

Before you reach the age of 45, you may withdraw up to 100% of the money to cover own contribution e.g. to buy a home. If such a withdrawal is repaid within 15 years, it will not be subject to tax on capital gains.

### 10 Lower contribution for low-income earners

Low-income earners, that is, persons whose salary is not higher than 120% of the gross national minimum wage, may declare a lower basic contribution, i.e. decrease it to no less than 0.5% of their gross salary.

### 11 Spousal benefit

It is possible to combine the money of PPK participants who are spouses and to pay out such money as a common spousal benefit for at least 120 months until the funds are exhausted. This benefit can only be paid out if the husband and wife have PPK accounts in the same financial institution.

### 12 Investing gets more secure as you age

The money accumulated in PPK is invested in so-called target-date funds according to strict guidelines regarding the investment policy. The money of the youngest participants will be invested in assets with a greater potential for profitability, but it will also be exposed to a higher risk. The closer to the age of 60, the more your savings will be protected and thus less vulnerable to market volatility. If, however, your priorities are different, you may submit a declaration to change an investment fund, thus changing the investment assumptions and aligning them with your preferences (detailed rules are set out in the Statutes of Allianz SFIO PPK available at [www.allianz.pl](http://www.allianz.pl)).

### 13 Low management fees

PPK investment funds have significantly lower management fees than the fees prevailing on the market. The management fee cannot be higher than 0.6% of the net asset value annually, which is a statutory requirement.

### 14 Tax benefits

The capital accumulated in PPK, when withdrawn at the time provided for by statute and on specified terms (among others, after you reach the age of 60), may be paid out net of 19% tax on capital gains if you withdraw 25% of your money in one go and the remaining 75% of the accumulated savings in a minimum of 120 monthly instalments (10 years)..

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#### Easy access to your savings

You can monitor on a continuous basis the value of your savings in PPK and have full control of your money, keeping track of the PPK account balance and monitoring the contributions made.



#### Employee website

With TFI Allianz Polska S.A., you can have online access to your PPK account 24/7 via Mój Allianz website. In this way, you can check, among others: the value of accumulated money, history of contributions, the subfund in which your money is invested, or the contents of the agreement for PPK operation. In addition, on Mój Allianz website you can find discounts for insurance and investment products of the Allianz.



#### Dedicated hotline

You can use our dedicated hotline: +48 22 541 75 75 and email: [fundusze.ppk@allianz.pl](mailto:fundusze.ppk@allianz.pl) to ask questions about PPK.



#### Branches across Poland

If you prefer to meet us in person, you can also get comprehensive support from our representatives.

This material has been prepared solely for informational and advertising purposes and may not constitute any sufficient grounds for taking the decision on using the service of the Employee Capital Plan (PPK) offered by Towarzystwo Funduszy Inwestycyjnych Allianz Polska S.A. ("Company"). The data provided herein shall not be the offer within the meaning of Article 66 of the Polish Civil Code, neither the services of investment advising nor rendering recommendations about financial instruments or their issuers within the meaning of the Act on Trading in Financial Instruments nor are they the form of rendering any legal advising or legal aid services.

The Company shall not guarantee that the investment objectives are achieved or that the specific investment result of Allianz Specjalistyczny Fundusz Inwestycyjny Otwarty PPK with separated Sub-funds ("the Fund") is achieved but it shall expend all reasonable efforts to achieve it. The Fund participants must accept the possibility of the loss of at least some of the contributed funds. The individual ROI rate of the Fund membership units shall depend on the value of the membership unit at the time of its alienation and buy-back by the Fund as well as on the level of the capital gain tax. Management fees and other costs charged to the funds are included in the unit price of the funds and reduce the return on investment. The value of the Sub-Funds net assets (and thus the value of the membership unit) may be characterized by high volatility as a result of the composition of the investment portfolios or the portfolio management techniques used.

The Sub-Funds may invest more than 35% of the asset value in securities and money market instruments that are securities issued or guaranteed by the State Treasury, the National Bank of Poland, a local government entity, governments of OECD member countries i.e. the governments of Australia, Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Greece, Spain, the Netherlands, Ireland, Iceland, Japan, Canada, Luxembourg, Germany, Norway, New Zealand, Portugal, Slovakia, Slovenia, the United States, Switzerland, Sweden, Hungary, United Kingdom and Italy, and the following international financial institutions: International Monetary Fund, European Investment Bank, European Bank for Reconstruction and Development.

The detailed information about the Sub-Fund along with the details of the investment risk, fees and any other charges to the Fund as well as the information on the tax charging ROI can be found in the Informational Prospectus and the Key Information available at [www.allianz.pl](http://www.allianz.pl) at the link [https://www.allianz.pl/pl\\_PL/dla-ciebie/dokumenty/dokumenty-funduszy-inwestycyjnych.html#TabVerticalNegative01394504900](https://www.allianz.pl/pl_PL/dla-ciebie/dokumenty/dokumenty-funduszy-inwestycyjnych.html#TabVerticalNegative01394504900) and in the office of the Company. A summary of investors' rights can be found in the Information Prospectus (Chapter III, Section 1.4) available in Polish at [www.allianz.pl/tfi](http://www.allianz.pl/tfi). Before making the investment, please read the abovementioned documents.

The Company operates under the permission of KPWiG (today the Polish Financial Supervision Authority). The Company and the Fund are supervised by the Polish Financial Supervision Authority.

The Company with its registered office in Warsaw, address: ul. Inflancka 4B, 00-189 Warszawa, entered in the Register of Entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register (KRS) under the KRS number: 0000176359, with share capital paid up in full of PLN 69 888 000.

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